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BUNKIE GENERAL HOSPITAL

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE PERIODS ENDED
JUNE 30, 1997, 1996 AND 1995**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: JUN 27 1998

100
101
102
103
104
105
106
107
108
109
110

TABLE OF CONTENTS

PAGE NO.

Independent Auditors' Report on Financial Statements and Supplementary Information	1
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FEDERAL PUBLIC FINANCIAL STATEMENTS

Hospital Service District No. 1 - Restricted Fund

Balance Sheets	3
Statements of Operations	4
Statements of Changes in Fund Balance	5
Statements of Cash Flow	6
Notes to Financial Statements	8

SUPPLEMENTAL INFORMATION

Schedules of Net Patient Service Revenue	25
Schedules of Other Revenue	29
Schedules of Expenses	30
Schedules of Patient Statistics	34
Schedules of Insurance	35
Schedules of Per Diem and Other Compensation Paid to Board Members	35
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Conducted in Accordance with GOVERNMENT AUDITING STANDARDS	37
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with GOVERNMENT AUDITING STANDARDS	60

Martin H. Kester, CPA
Robby H. Lester, CPA
John S. Wells, CPA
Robert G. Miller, CPA

Linda L. Wright, CPA
Fred A. Mahoney, CPA
William L. Henry, CPA

EASLEY, LESTER AND WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
4000 LAFOUR SQUARE BUILDING
ALBUQUERQUE, NEW MEXICO 87106

Telephone: 505-497-1400
Teletype: 505-497-1400

Members
American Institute of CPAs
AICPA, Division of the CPA Firm --
Private Companies Practice Section
Society of Louisiana CPAs

Mailing Address
P.O. Box 8788
Albuquerque, LA 70508-1708

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Hospital Service District No. 1
Parish of Avoyelles, State of Louisiana
Bunkie, Louisiana

We have audited the accompanying general purpose financial statements of the Hospital Service District No. 1, Parish of Avoyelles, the Bunkie General Hospital (the Hospital), a component unit of the Avoyelles Parish Police Jury, for the years ended June 30, 1987 and 1986, and six months ended June 30, 1985, as listed in the foregoing table of contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hospital Service District No. 1, Parish of Avoyelles, the Bunkie General Hospital, as of the years ended June 30, 1987 and 1986, and six months ended June 30, 1985, and the results of its operations, changes in fund balances and cash flows for the periods then ended in conformity with generally accepted accounting principles applicable to governmental entities.

In accordance with Government Auditing Standards, we have also issued a report dated October 10, 1987, on our consideration of the Hospital's internal control structure and a report dated October 30, 1987, on its compliance with laws and regulations.

Board of Commissioners
Hospital Service District No. 1
Parish of Acadiana, State of Louisiana
Page Two

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Hospital Service District No. 1, Parish of Acadiana, The Bonfils General Hospital. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Earley, Lester & Wells

Certified Public Accountants

October 18, 1993

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF AVYELLES, STATE OF LOUISIANA
SHREVE GENERAL HOSPITAL
BALANCE SHEETS - UNRESTRICTED FUND
JUNE 30, 1993, 1994 AND 1995

Assets	<u>1993</u>	<u>1994</u>	<u>1995</u>
Current assets:			
Cash and cash equivalents	\$ 123,471	\$ 611,348	\$ 1,379,896
Cash investments	0-	305,825	1,461,909
Patient accounts receivable, net of estimated uncollectibles (Note 4)	3,794,883	3,283,907	3,175,888
Inventory	188,826	166,787	174,893
Prepaid expenses	68,118	108,183	181,258
Total current assets	<u>5,183,305</u>	<u>5,476,050</u>	<u>6,483,832</u>
Assets limited as to use (Note 4)	153,842	143,287	173,816
Property, plant and equipment, net (Note 5)	2,555,980	2,851,793	3,435,817
Other assets	8,158	13,718	18,385
Total assets	<u>\$ 8,001,385</u>	<u>\$ 8,525,348</u>	<u>\$ 10,118,152</u>
Liabilities and Fund Balance			
Current liabilities:			
Current maturities of long-term debt (Note 9)	\$ 63,083	\$ 341,243	\$ 178,531
Accounts payable and accrued expenses (Note 7)	491,383	640,888	627,718
Unearned revenues (Note 8)	4,085	4,528	244,990
Total current liabilities	<u>558,551</u>	<u>1,026,659</u>	<u>1,051,239</u>
Long-term debt, net of current maturities (Note 9)	618,918	359,876	399,419
Unearned revenues (Note 8)	368	622	143
Total liabilities	<u>1,187,837</u>	<u>1,437,157</u>	<u>1,550,811</u>
Fund balance - unrestricted	4,917,548	5,328,385	5,827,330
Total liabilities and fund balance	<u>\$ 8,001,385</u>	<u>\$ 8,525,348</u>	<u>\$ 10,118,152</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ANDERLEEN, STATE OF LOUISIANA
 MOORE GENERAL HOSPITAL
 STATEMENTS OF OPERATIONS - UNRESTRICTED FUND
 PERIODS ENDING JUNE 30, 1997, 1998 AND 1999

	THIRTEEN MONTHS 1997	THIRTEEN MONTHS 1998	SIX MONTHS 2000
Revenues:			
Net patient service revenues	\$ 7,247,967	\$ 7,117,369	\$ 4,814,383
ad valorem taxes	38,438	39,207	3,889
Other	156,628	228,822	95,379
Total revenues	<u>7,443,033</u>	<u>7,385,398</u>	<u>4,913,651</u>
Expenses:			
Salaries and benefits	3,335,768	3,647,683	1,477,134
Medical supplies and expenses	1,067,231	1,185,885	1,378,188
Medical professional fees	1,131,320	1,068,084	664,368
Other expenses	884,813	814,178	479,647
Insurance	137,850	151,938	77,378
Provision for bad debt	1,382,194	1,373,952	171,364
Depreciation and amortization expense	281,875	288,133	139,638
Interest expense	38,680	71,413	37,882
Total expenses	<u>7,992,831</u>	<u>8,320,684</u>	<u>3,867,782</u>
Operating Income (Loss)	<u>(549,798)</u>	<u>(935,286)</u>	<u>105,869</u>
Nonoperating Income:			
Investment income	17,154	88,164	27,827
Excess of revenues (expenses)	<u>\$ (532,644)</u>	<u>\$ (847,122)</u>	<u>\$ 133,696</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ABOYELLE, STATE OF LOUISIANA
BUNKIE GENERAL HOSPITAL
STATEMENTS OF CHARGES IN FUND BALANCE - UNRESTRICTED FUND
PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

CHARGES IN FUND BALANCE:	Reclassified
Balance, December 31, 1984	\$ 4,617,336
Transfer from debt service fund	15
Excess of revenues over expenses for the six months ended June 30, 1985	<u>3,017,368</u>
Balance, June 30, 1985	8,635,336
Excess of expenses over revenues for the twelve months ended June 30, 1986	<u>(622,349)</u>
Balance, June 30, 1986	8,012,987
Excess of expenses over revenues for the twelve months ended June 30, 1987	<u>(687,262)</u>
Balance, June 30, 1987	<u>\$ 7,325,725</u>
COMPOSITION OF FUND BALANCE AT JUNE 30, 1987:	
Contributions	
Bill-Butler	\$ 488,000
Bond Issues	338,170
Public contributions	<u>231,820</u>
	957,990
Excess of revenues over expenses	<u>3,016,888</u>
Total	<u>\$ 1,974,878</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF MONROE, STATE OF LOUISIANA
MUNICIPAL GENERAL HOSPITAL
STATEMENTS OF CASH FLOWS - UNRESTRICTED FUND
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

	TWELVE MONTHS ENDING 1997	TWELVE MONTHS ENDING 1996	NINE MONTHS ENDING 1995
Cash flows from operating activities:			
Operating income (loss)	\$ (482,242)	\$ (225,549)	\$ 1,017,944
Interest expense considered capital financing activity	20,800	22,175	11,087
ad valorem taxes considered financing activity	(58,436)	(58,287)	(5,888)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	281,875	280,152	129,928
(Gain) loss on disposal of assets	-0-	(3,922)	(1,212)
Provision for bad debts	1,282,554	1,375,992	171,384
Interest income	(12,346)	(88,164)	(27,872)
(Increase) decrease in:			
Cash investments	505,425	1,155,918	(1,400,692)
Patient accounts receivable (net)	(1,773,460)	(2,486,042)	868,593
Inventory	(16,262)	8,004	(628)
Prepaid expenses	48,645	(7,568)	12,913
Accounts payable and accrued expenses	32,196	(167,692)	(186,418)
Unearned revenues	(686)	(546,508)	(40,542)
Long-term unearned interest	(322)	468	(212)
Net cash provided by operating activities	<u>\$(188,681)</u>	<u>\$(836,825)</u>	<u>\$681,508</u>
Cash flows from investing activities:			
Interest on investments	<u>12,166</u>	<u>88,168</u>	<u>27,622</u>
Net cash provided by investing activities	<u>12,166</u>	<u>88,168</u>	<u>27,622</u>
Cash flows from non-capital financing activities:			
Residual equity transfer from other funds	-0-	-0-	22
Ad valorem taxes	<u>58,436</u>	<u>58,201</u>	<u>5,888</u>
Net cash provided by non-capital financing activities	<u>\$ 58,436</u>	<u>\$ 58,201</u>	<u>\$ 5,910</u>

See accompanying notes to financial statements.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ACHILLE, STATE OF LOUISIANA
SHRIVE GENERAL HOSPITAL
STATEMENTS OF CASH FLOW - UNRESTRICTED FUNDS (Continued)
PERIODS ENDING JUNE 30, 1997, 1996 AND 1995

	TWELVE MONTHS 1997	TWELVE MONTHS 1996	NINE MONTHS 1995
Cash flow from capital and related financing activities:			
Proceeds from issuance of new debt	\$ 400,000	\$ 310,000	\$ -
Proceeds from sale of property and equipment	-	3,810	1,451
Purchases of property and equipment	(211,424)	(271,599)	(284,178)
Proceeds from assets limited as to use	(13,390)	(18,253)	5,283
Principal paid on long-term debt	(289,208)	(279,830)	(17,323)
Interest paid on long-term debt	(220,868)	(221,175)	(22,882)
Net cash used by capital and related financing activities	<u>(283,928)</u>	<u>(267,647)</u>	<u>(121,847)</u>
Net increase (decrease) in cash and cash equivalents	(298,037)	(262,134)	5,783
Cash and cash equivalents, beginning of year	<u>613,268</u>	<u>1,373,684</u>	<u>1,100,209</u>
Cash and cash equivalents, end of year	<u>\$ 315,231</u>	<u>\$ 1,111,550</u>	<u>\$ 1,106,022</u>
 Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	<u>\$ 220,868</u>	<u>\$ 221,175</u>	<u>\$ 22,882</u>

The Hospital entered into the following capital lease obligations:

<u>Asset</u>	<u>Amount</u>	<u>Period End</u>
AMT Phone System	\$ 54,600	December, 1996
Hill-Rom Patient Beds	87,800	June, 1995

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSYELLES, STATE OF LOUISIANA
BUNKIE GENERAL HOSPITAL
UNRESTRICTED FUND
NOTED TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

NOTE 1 - ORGANIZATION AND OPERATIONS

Legal Organization

The Assyelles Parish Hospital Service District (the "Hospital" or the "District") was created by an ordinance of the Assyelles Parish Police Jury on February 14, 1988.

As the governing authority of the parish, for reporting purposes, the Assyelles Parish Police Jury is the financial reporting entity for Assyelles Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 establishes criteria for determining which component units should be considered part of the Assyelles Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB unit forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all commissioners of the Assyelles Parish Hospital Service District, the District was determined to be a component unit of the Assyelles Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF AVYELLES, STATE OF LOUISIANA
SHRINE GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1997, 1998 AND 1999

NOTE 1 - ORGANIZATION AND OPERATIONS (Continued)

Nature of Business

The Hospital provides outpatient, emergency, skilled nursing (through "swing beds"), acute inpatient hospital services and home health services. On October 1, 1998, the Hospital converted 20 acute beds to an admission care psychiatric unit. In July 1999, the Hospital opened an outpatient clinic and hired a nurse practitioner and a physician to provide non-emergency services to the community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proprietary Fund Accounting

The Hospital utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Revenue is reported when earned, net of the provision for contractual adjustments based upon each payer's agreement with the Hospital. Expenditures are recorded when incurred. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the Louisiana Governmental Audit Code, and the Audit and Accounting Guide - Health Care Organizations, published by the American Institute of Certified Public Accountants, and standards set by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits in checking and money market accounts and certificates of deposit with original maturities of 90 days or less. Cash and cash equivalents are stated at cost, which approximates market value. The caption "cash and cash equivalents" does not include amounts limited as to use.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF WYCHITAN, STATE OF LOUISIANA
BUREAU GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1993, 1994 AND 1995

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Risk

The Hospital provides medical care primarily to Wychitan Parish residents and grants credit to patients, substantially all of whom are local residents. The Hospital's estimate of collectibility is based on evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

Significant Concentration of Economic Dependence

The Hospital has an economic dependence on a small number of staff physicians. Four physicians admit over 50% of the Hospital's patients.

Third Party Cost-Based Reimburse

Contractual agreements with governmental agencies provide for reimbursement based on a fixed price per patient stay based upon the patient's primary diagnosis for Medicare inpatient services. Medicare and Medicaid reimbursements are reimbursed based upon the lesser of reasonable cost (subject to certain limits) or charges to patients. Until July 1, 1994, the Medicaid inpatient services were reimbursed based upon the lesser of reasonable cost (subject to certain limits) or charges to the patient. As of July 1, 1994, the program reimbursement is based upon a fixed price per stay. These reimbursements are subject to audit and retroactive adjustments by each payer.

Inventory

Inventories are stated at the lower of cost determined by the first-in, first-out method, or market basis.

Change in Reporting Classification

The classification of certain prior year amounts have been changed to reflect consistent reporting when compared to current year balances. The financial statement format has been changed to reflect changes in the GAAP, Audit and Accounting Guide - Health Care Organizations, issued June 1, 1994.

Income Taxes

The entity is a political subdivision and exempt from taxation.

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF STOVILLE, STATE OF LOUISIANA
 ROBERT EMMETT HOSPITAL
 UNRESTRICTED FUND
 NOTES TO FINANCIAL STATEMENTS
 PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. The Hospital uses straight-line depreciation for financial reporting and third party reimbursement. The following estimated useful lives are generally used.

Buildings	15 to 50 years
Machinery and Equipment	3 to 20 years
Furniture and Fixtures	5 to 20 years

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently.

NOTE 3 - DEPOSITS

Included in cash and cash equivalents and assets whose use is limited are cash on hand, deposits with the Depository banks for money market accounts, checking accounts and certificates of deposits, which were secured at the balance sheet dates by Federal Depository Insurance coverage and by pledged securities. For all deposits, the market value and carrying value are the same.

	JUNE 30, 1997	JUNE 30, 1996	JUNE 30, 1995
Entity cash	\$ 1,320	\$ 1,150	\$ 950
Checking accounts	80,866	137,879	713,548
Money Market accounts	33,331	203,382	663,007
Certificates of deposit	168,782	688,961	1,754,961
IRA Trust deposits	<u>24,825</u>	<u>28,138</u>	<u>23,860</u>
Total deposits	\$ <u>299,124</u>	\$ <u>1,059,510</u>	\$ <u>2,145,326</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF SACCELIN, STATE OF LOUISIANA
MUNICIPAL GENERAL HOSPITAL,
UNINCORPORATED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE A - ACCOUNTS RECEIVABLE

A summary of accounts receivable is presented below:

	JUNE 30, 1997	JUNE 30, 1996	JUNE 30, 1995
Net patient accounts receivable	\$ 3,473,387	\$ 3,080,268	\$ 3,487,643
Due from (to) governmental third party reimbursement programs	648,959	651,998	(130,708)
Other receivables	<u>38,562</u>	<u>85,351</u>	<u>122,832</u>
	4,160,908	3,818,617	3,479,767
Estimated uncollectible	<u>(1,336,621)</u>	<u>(1,336,621)</u>	<u>(138,900)</u>
Total	\$ 2,824,287	\$ 2,481,996	\$ 3,340,867

The Hospital receives a substantial portion of its charges and net revenues from the Medicare and Medicaid programs as presented below:

	JUNE 30, 1997	JUNE 30, 1996	JUNE 30, 1995
Medicare and Medicaid gross patient charges	\$ 8,048,483	\$ 8,088,832	\$ 8,469,873
Contractual adjustments, reduced by disproportionate share amounts	<u>(2,882,721)</u>	<u>(1,163,822)</u>	<u>(167,882)</u>
Net patient service revenue	\$ 5,165,762	\$ 6,925,010	\$ 8,301,991
Percent of total net patient revenues	26%	28%	31%

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ABOUILLE, STATE OF LOUISIANA
 PUBLIC GENERAL HOSPITAL
 UNRESTRICTED FUND
 NOTES TO FINANCIAL STATEMENTS
 PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended June 30, 1987.

	ASSET COST			June 30, 1987
	June 30, 1986	Additions	Reductions	
Land	\$ 88,347	\$ -0-	\$ -0-	\$ 88,347
Land improvements	157,513	-0-	-0-	157,513
Buildings	1,986,917	70,147	-0-	2,057,064
Fixed equipment	754,384	-0-	-0-	754,384
Major movable equipment	2,446,580	127,248	-0-	2,573,828
Construction in progress	17,135	31,142	32,828	15,449
Total	\$ 5,500,806	\$ 328,547	\$ 32,828	\$ 5,896,525

	ACCUMULATED DEPRECIATION			June 30, 1987
	June 30, 1986	Additions	Reductions	
Land improvements	\$ 84,491	\$ 18,347	\$ -0-	\$ 102,838
Buildings	638,824	78,086	-0-	716,910
Fixed equipment	547,365	38,086	-0-	585,451
Major movable equipment	1,655,218	188,588	-0-	1,843,806
Total	\$ 3,225,899	\$ 345,017	\$ -0-	\$ 3,570,916

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended June 30, 1986.

	ASSET COST			June 30, 1986
	June 30, 1985	Additions	Reductions	
Land	\$ 88,379	\$ 89,779	\$ -0-	\$ 178,158
Land improvements	157,513	-0-	-0-	157,513
Buildings	1,493,370	534,481	-0-	2,027,851
Fixed equipment	788,329	45,885	-0-	834,214
Major movable equipment	1,181,779	275,485	12,488	1,554,776
Construction in progress	452,885	88,092	327,373	213,604
Total	\$ 4,864,755	\$ 949,742	\$ 339,861	\$ 5,474,636

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ANDERLINE, STATE OF LOUISIANA
BOHNE GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

NOTE 5 - PROPERTY, PLANT & EQUIPMENT (Continued)

	June 30, 1987	ACCUMULATED DEPRECIATION		June 30, 1986
		additions	Reductions	
Land Improvements	\$ 84,384	\$ 18,187	\$ -0-	\$ 84,481
Buildings	518,906	51,948	-0-	439,924
Fixed equipment	307,342	18,534	-0-	167,366
Major movable equipment	<u>1,212,939</u>	<u>193,261</u>	<u>13,668</u>	<u>1,455,213</u>
Total	<u>\$ 2,443,571</u>	<u>\$ 275,928</u>	<u>\$ 13,668</u>	<u>\$ 2,236,585</u>

The following is a summary of property, plant and equipment and related accumulated depreciation for the six month period ended June 30, 1985.

	December 31, 1984	ASSET COST		June 30, 1985
		additions	Reductions	
Land	\$ 27,575	\$ -0-	\$ -0-	\$ 27,575
Land Improvements	152,513	-0-	-0-	152,513
Buildings	1,449,491	825	-0-	1,450,296
Fixed equipment	704,860	3,667	-0-	708,329
Major movable equipment	1,919,352	198,084	23,784	2,101,772
Construction in progress	<u>188,285</u>	<u>298,380</u>	<u>-0-</u>	<u>459,485</u>
Total	<u>\$ 4,629,856</u>	<u>\$ 499,128</u>	<u>\$ 23,784</u>	<u>\$ 5,152,789</u>

	December 31, 1984	ACCUMULATED DEPRECIATION		June 30, 1985
		additions	Reductions	
Land Improvements	\$ 79,204	\$ 5,100	\$ -0-	\$ 84,304
Buildings	956,210	22,136	-0-	578,976
Fixed equipment	518,813	8,828	-0-	327,743
Major movable equipment	<u>1,385,368</u>	<u>82,881</u>	<u>13,384</u>	<u>1,221,838</u>
Total	<u>\$ 2,949,615</u>	<u>\$ 127,925</u>	<u>\$ 13,384</u>	<u>\$ 2,823,366</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF AVYELLES, STATE OF LOUISIANA
RURICK GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE 5 - PROPERTY, PLANT & EQUIPMENT (Continued):

An analysis of construction contracts in progress and related commitments follows:

	June 30, 1997	June 30, 1996	June 30, 1995
Total construction and related commitments	\$ 25,872	\$ 60,567	\$ 385,178
Interim payments and payables	<u> (28,726)</u>	<u> (28,113)</u>	<u> (282,800)</u>
Balance of commitments at year end	\$ <u> 9,146</u>	\$ <u> 32,454</u>	\$ <u> 102,378</u>

NOTE 6 - ASSETS LIMITED AS TO USE

On November 11, 1968, Hospital Service District No. 1 accepted an offer from the Department of Housing and Urban Development to make a loan in order to aid in financing the construction of a new 80-bed general hospital. The underwriting imposed restrictions on the hospital authority; a summary of such restrictions follows:

All income earned from operations of the Hospital is to be deposited in the hospital operating fund. Funds are to be expended in the following order of priority and for the following purposes:

- (1) The payment of reasonable expenses of administration, operation and maintenance of the Hospital.
- (2) A cash transfer to the Hospital Bond and Interest Sinking Fund by the 15th day of each month, sums equal to one-fifth of the interest due on the next interest payment date, plus one-tenth of the principal due on the next principal payment date. Transfer will continue until a reserve of \$18,000 has been accumulated; thereafter, cash transfers will be made as are necessary to meet the current year's debt service requirements and maintain the reserve of \$18,000.
- (3) A cash transfer to the Hospital Repair and Replacement Reserve Fund of \$120 monthly until a reserve of \$25,800 has been accumulated and maintained in such amount. The money may be withdrawn for the purpose of paying extraordinary maintenance of repairs, renewals and replacements. Should the Hospital Bond and Interest Sinking Fund be insufficient to pay a required installment, funds in the Hospital Repair and Replacement Reserve Fund will be transferred to the extent required to eliminate the deficiency.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF AVYELLES, STATE OF LOUISIANA
GENEVA GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDING JUNE 30, 1987, 1986 AND 1985

NOTE 4 - ASSETS LIMITED AS TO USE (Continued)

It is the contention of management that the accounting requirements of the revenue bond laws were met.

Pursuant to a resolution by the Board of Directors of the Hospital on January 18, 1973, a board-designated plant fund was established to be utilized for replacement of existing capital assets and the purchase of new capital assets. These limited use funds described above consisted the investments and accrued interest at June 30, 1987, 1986 and 1985, as follows:

	June 30, 1987	June 30, 1986	June 30, 1985
By Bond Indenture			
Hospital bond and interest sinking fund	\$ 54,185	\$ 54,887	\$ 54,888
Hospital repair and replacement reserve fund	28,751	28,352	27,114
By Board			
Plant fund	1,034	873	1,818
Dialysis building fund	15,928	15,171	14,545
IGA Texas deposits	<u>32,825</u>	<u>38,288</u>	<u>29,462</u>
Noncurrent assets whose use is limited	\$ <u>123,642</u>	\$ <u>141,263</u>	\$ <u>123,018</u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

A summary of accounts payable and accrued expenses as follows:

	June 30, 1987	June 30, 1986	June 30, 1985
Accounts payable	\$ 112,129	\$ 178,308	\$ 191,214
Salaries	43,945	57,518	38,081
Payroll taxes	6,880	4,750	(418)
Interest	3,000	1,967	2,584
Compensated absences	<u>113,188</u>	<u>218,636</u>	<u>28,323</u>
Total	\$ <u>489,142</u>	\$ <u>640,959</u>	\$ <u>627,718</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ACADIE, STATE OF LOUISIANA
MORRIS GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

NOTE 8 - UNEARNED REVENUES

The Hospital received fees from patients participating in a Silver Society membership plan. The fees collected are for extended periods and are recognized in monthly revenue as the extended periods expire.

A portion of Medicaid disproportionate share funds received as of year end are not considered earned based upon oral State Plan interpretations by Department of Health and Hospital officials.

A summary of unearned revenues follows:

	June 30, 1987	June 30, 1986	June 30, 1985
Fees received in advance	\$ 4,366	\$ 5,875	\$ 5,647
Medicaid disproportionate share	-0-	-0-	299,648
Less revenues to be earned in the next accounting period	<u>6,890</u>	<u>6,450</u>	<u>126,220</u>
Long-term unearned revenues	\$ <u>382</u>	\$ <u>825</u>	\$ <u>145</u>

NOTE 9 - LONG-TERM DEBT

A summary of long-term debt, including capital lease obligations at June 30, 1987, 1986 and 1985, follows:

	June 30, 1987	June 30, 1986	June 30, 1985
8.5 percent note payable to Bank of & Trust Co. due May 10, 1998, collateralized by assignment of lease of diagnosis building	\$ -0-	\$ -0-	\$ 66,814

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ANDERLINES, STATE OF LOUISIANA
MORRIS GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE 5. - LONG-TERM DEBT (Continued)

	June 30, 1997	June 30, 1996	June 30, 1995
8.8 percent note payable to Bankie Bank & Trust Co. due August 1, 1998, collateralized by an ultrasound machine	\$ -0-	\$ -0-	\$ 47,913
8.8 percent note payable to Bankie Bank & Trust Co. due September 15, 1997, collateralized by an X-ray machine and computer	-0-	-0-	54,333
8.5 percent note payable to American Security Bank replacing the 3 notes listed above, due April 1, 1993, collateralized by one GE 800-500 II X-Ray machine and one ultrasound machine	-0-	83,143	-0-
7.0 percent note payable to Union Bank, due June 1, 2001, unsecured	200,000	-0-	-0-
Capital lease obligations, at varying rates of interest from 7.8 percent to 7.717 percent collateralized by leased equipment	30,941	73,177	117,631
6.75 percent Revenue Bonds due November 1, 2009, collateralized by a pledge of the Hospital's gross receipts	<u>230,000</u>	<u>245,000</u>	<u>250,000</u>
Total long-term debt	460,941	420,370	469,544
Less current maturities of long-term debt	<u>(142,803)</u>	<u>(134,863)</u>	<u>(170,311)</u>
Long-term debt net of current maturities	<u>\$ 318,138</u>	<u>\$ 285,507</u>	<u>\$ 299,233</u>

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ACADIANA, STATE OF LOUISIANA
 BUCKIE GENERAL HOSPITAL
 UNREDEEMED FUNDS
 NOTES TO FINANCIAL STATEMENTS
 PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE B - LONG-TERM DEBT (Continued)

A table of annual debt service requirements follows:

<u>Year Ending June 30,</u>	<u>Revenue</u>	<u>Notes and</u>
	<u>Bonds</u>	<u>Leases</u>
1998	\$ 25,549	\$ 42,850
1999	24,856	41,521
2000	24,544	39,553
2001	25,431	37,863
2002	22,719	37,863
2003	22,806	37,863
2004	21,396	37,863
2005	23,463	37,863
2006	24,313	37,863
2007	23,363	37,821
2008	22,813	0-
2009	21,863	0-
2010	25,508	0-
Total	\$ 387,625	\$ 312,828

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF AYOUELES, STATE OF LOUISIANA
BUNNIE GENERAL HOSPITAL
UNRESTRICTED FUNDS
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE 10 - LEASES

The Hospital is the lessee of various equipment under capital leases expiring in various years through 2000. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over their estimated productive lives, as Medicare rules mandate. Reproduction of assets under capital leases is included in depreciation expense for the periods ended June 30, 1997, 1996 and 1995. Following is a summary of property held under capital leases:

	June 30, 1997	June 30, 1996	June 30, 1995
ASST phones	\$ 36,486	\$ 36,486	\$ 36,486
Counter counter	-	-	29,908
Patient beds	-	173,633	173,633
	36,486	173,919	240,027
Less: Accumulated depreciation	(15,537)	(52,331)	(16,719)
	\$ 20,949	\$ 121,588	\$ 223,308

The leases on the counter counter, and the patient beds expired and the Hospital received title to this equipment. Minimum future lease payments under capital leases as of June 30, 1997, and for each subsequent year in aggregate are provided below:

Year Ending June 30,	Amount
1998	\$ 16,798
1999	13,640
2000	5,681
Total minimum lease payments	36,119
Less amounts representing interest	1,170
Net minimum lease payments	\$ 34,949

The Hospital leases various medical equipment under operating lease agreements expiring in various years through 2000.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ACADIANA, STATE OF LOUISIANA
BENJAMIN GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDING JUNE 30, 1987, 1986 AND 1985

NOTE 11. - COMPENSATED ABSENCES

Employees of the Hospital are entitled to paid days off and sick days depending on length of service. The Hospital charged operations during the periods ended June 30, 1985, 1986 and 1987, for accrued paid days off of \$119,288, \$118,478, and \$98,343, respectively. It is impracticable to estimate the amount of compensation for future unvested sick pay and, accordingly, no liability has been recorded in the accompanying financial statements. The Hospital's policy is to recognize the cost of unvested sick pay when actually paid to employees.

NOTE 12. - PROFESSIONAL LIABILITY RISK

The Hospital participates in the Louisiana Patients' Compensation Fund established by the State of Louisiana to provide medical professional liability coverage to healthcare providers. The fund provides for \$400,000 in coverage per occurrence above the first \$100,000 per occurrence for which the Hospital is at risk. The fund places no limitation on the number of occurrences covered. In connection with the establishment of the Patients' Compensation Fund ("PCF"), the State of Louisiana enacted legislation limiting the amount of healthcare provider reimbursements for professional liability to \$100,000 per occurrence and limiting the PCF's exposure to \$400,000 per occurrence.

The Hospital's membership in the Louisiana Hospital Association Trust Fund provides additional coverage for professional medical malpractice liability and worker's compensation. The trust fund bills members in advance, based upon an estimate of their exposure. At policy year-end, premiums are re-determined withholding accrued losses of the Hospital. The trust fund premiums to be a "Grantor Trust" and, accordingly, income and expenses are presented to member hospitals. The Hospital has only included these allocations or equity accounts assigned to the Hospital by the trust fund in its financial statements.

NOTE 13. - CHARITY CARE

The Hospital has a policy of providing charity care to patients who can prove they are indigent. Charity care charged were \$121,374, \$202,875 and \$189,388 for the respective fiscal periods ended June 30, 1987, 1986 and 1985.

NOTE 14. - CONTINGENCIES AND CONTINGENCIES

The Hospital evaluates contingencies based upon the best available evidence. The Hospital believes that no allowance for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the Hospital's estimates, future earnings will be charged or credited.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF MONROE, STATE OF LOUISIANA
MONROE GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1993, 1994 AND 1995

NOTE 14 - CONTINGENCIES AND CONTINGENCIES (Continued)

The principal contingencies are described below:

Governmental Third Party Reimbursement Programs (Note 4) : The Hospital is contingently liable for retrospective adjustments made by the Medicare and Medicaid programs as the result of their examinations, as well as, retrospective changes in interpretations applying statutes, regulations and general instructions of these programs. The amount of such adjustments cannot be determined.

Further, in order to continue receiving reimbursement from the Medicare programs, the Hospital entered into an agreement with a government agent allowing the agent access to the Hospital's Medicare patients medical records for purposes of making medical necessity and appropriate level of care determinations.

The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid to the Hospital.

Professional Liability Risk (Note 13) : The Hospital is contingently liable for losses from professional liability not underwritten by the Louisiana Patients' Compensation Fund or the Louisiana Hospital Association Trust Fund.

The Hospital participates in the Louisiana Hospital Association Self-Insurance Workers' Compensation Trust Fund. Should the Fund's assets not be adequate to cover claims made against it, the Hospital may be assessed the pro rata share of the resulting deficit. It is not possible to estimate the amount of additional assessments, if any. Accordingly, the Hospital is contingently liable for assessments by the Louisiana Hospital Association Trust Fund.

Beginning January 1, 1993, the Hospital purchased a Worker's Compensation Insurance policy from Business Insurance Company.

Medical Benefits Trust : The Hospital maintains a medical benefits trust. The Hospital and employees contribute on a 50/50 basis amounts required to cover the health benefits cost of the employees. Employees with more than 90 days of service are participants.

The trust pays all claims from funds provided from the Hospital. The trust agreement provides that should it not have sufficient funds to cover its obligations, the Hospital is obligated to fund the shortfall. The Hospital purchases "excess" insurance coverage that provides for payment of individual claims in excess of \$15,000 or aggregate annual claims in excess of \$25,000.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ASSUMPTION, STATE OF LOUISIANA
MUSKIE GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

NOTE 2a - COMMITMENTS AND CONTINGENCIES (Continued)

During fiscal year 1997, the Hospital joined Advantage Health Network to provide medical benefits to employees. The Hospital and employees contribute on a 50/50 basis amounts required to cover the insurance premiums.

Litigation and Other Matters - Various claims in the ordinary course of business are pending against the Hospital. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

The Hospital has a line of credit of \$400,000 at 4% for use in operations, if needed, until March 1, 1998. Any use of available funds will be secured by various revenues.

The District's management is aware that many older computer systems are unable to handle dates on or after January 1, 2000, causing existing equipment and software to be obsolete. The District's management is addressing the need and cost for upgrades and/or replacements with department heads and vendors. The cost of upgrades and/or replacements for computer hardware or software cannot be reasonably estimated at this time.

NOTE 2c - VOLUNTARY HOSPITALS OF AMERICA - GULF STATES ("VHA")

As a member of the VHA, the Hospital has committed to fund a percentage of the corporation's operating budget annually. The Hospital purchases medical-surgical supplies for use in Hospital operations. The Hospital's current commitment is an annual minimum of \$2,000 per occupied bed.

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ACACYPOLLE, STATE OF LOUISIANA
KUNZE GENERAL HOSPITAL
UNRESTRICTED FUND
NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

NOTE 14 - RETIREMENT PROGRAM

Employees have available retirement coverage through an employee funded defined contribution plan. Beginning June 1, 1985, the Board began making semi-annual determinations as to how much the Hospital will contribute to an additional plan for full-time employees who work 40 or more hours per pay period. Each employee will be required to contribute a minimum of 1% of their base pay toward the program. Employees will become 100% vested in the Hospital's contributions after three full years of employment. The Hospital did not make a contribution to the retirement program in 1987.

Total payroll	\$ 2,927,648
Total covered payroll	1,813,438
Employee contributions	95,342
Employer contributions	-0-
Percentage employee contributions	5.26
Percentage employer contributions	0%

NOTE 15 - AD VALOREM TAXES

The District levies real estate taxes on all real property on a calendar year basis, at a rate enacted by the Board of Commissioners as recommended by the local tax assessor. Property taxes are collected through the local sheriff and remitted, net of collection fees, to the District. The sheriff's office is responsible for collection, including establishing lien, levy and due dates of property taxes.

SUPPLEMENTAL EXPERIMENT

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ST. PETERS, STATE OF LOUISIANA
MUNICIPAL GENERAL HOSPITAL
SCHEDULE OF NET PATIENT SERVICE REVENUE
PERIODS ENDED JUNE 30, 1991, 1990 AND 1989

	TWELVE MONTHS 1991	TWELVE MONTHS 1990	SIX MONTHS 1989
Routine services:			
Adult and pediatric	\$ 407,005	\$ 400,400	\$ 341,573
Psychiatric unit	1,843,433	3,835,237	3,485,850
Skilled	<u>82,280</u>	<u>58,012</u>	<u>48,826</u>
Total routine services	<u>2,332,718</u>	<u>4,293,649</u>	<u>3,876,249</u>
Other professional services:			
Operating room			
Inpatient	3,430	32,543	13,803
Outpatient	<u>26,313</u>	<u>26,428</u>	<u>22,280</u>
Total operating room	<u>29,883</u>	<u>58,971</u>	<u>36,083</u>
Recovery room			
Inpatient	110	4,290	1,870
Outpatient	<u>608</u>	<u>3,820</u>	<u>3,820</u>
Total recovery room	<u>718</u>	<u>8,110</u>	<u>5,690</u>
Anesthesia			
Inpatient	2,845	29,815	12,345
Outpatient	<u>10,485</u>	<u>13,425</u>	<u>13,320</u>
Total anesthesia	<u>13,330</u>	<u>43,240</u>	<u>25,665</u>
Radiology			
Inpatient	381,351	268,534	253,598
Outpatient	<u>882,660</u>	<u>681,325</u>	<u>309,068</u>
Total radiology	<u>1,264,011</u>	<u>949,859</u>	<u>562,666</u>
Laboratory			
Inpatient	440,353	482,353	403,493
Outpatient	<u>1,086,261</u>	<u>802,327</u>	<u>643,852</u>
Total laboratory	<u>1,526,614</u>	<u>1,284,680</u>	<u>1,047,345</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE Parish of Assumption, State of Louisiana
BUREAU GENERAL HOSPITAL
SCHEDULE OF NET PATIENT SERVICE REVENUE (Continued)
PERIODS ENDING JUNE 30, 1997, 1996 AND 1995

	THREE MONTHS 1997	THREE MONTHS 1996	THREE MONTHS 1995
Blood			
Inpatient	\$ 6,437	\$ 17,634	\$ 11,136
Outpatient	<u>2,183</u>	<u>6,268</u>	<u>1,680</u>
Total blood	<u>8,620</u>	<u>23,902</u>	<u>12,816</u>
Inhalation therapy			
Inpatient	407,036	325,891	379,309
Outpatient	<u>74,358</u>	<u>58,503</u>	<u>75,734</u>
Total inhalation therapy	<u>481,394</u>	<u>384,394</u>	<u>455,043</u>
Physical therapy			
Inpatient	28,601	25,336	20,740
Outpatient	<u>-0-</u>	<u>23</u>	<u>-0-</u>
Total physical therapy	<u>28,601</u>	<u>25,359</u>	<u>20,740</u>
Cardiac rehab			
Inpatient	-0-	-0-	-0-
Outpatient	<u>29,790</u>	<u>-0-</u>	<u>-0-</u>
Total cardiac rehab	<u>29,790</u>	<u>-0-</u>	<u>-0-</u>
Electrocardiology			
Inpatient	48,138	24,280	29,848
Outpatient	<u>89,838</u>	<u>67,850</u>	<u>29,798</u>
Total electrocardiology	<u>137,976</u>	<u>92,130</u>	<u>59,646</u>
Electroencephalogram			
Inpatient	1,758	2,867	616
Outpatient	<u>1,758</u>	<u>636</u>	<u>759</u>
Total electroencephalogram	<u>3,516</u>	<u>3,503</u>	<u>1,375</u>
Telemetry			
Inpatient	41,968	61,958	36,915
Outpatient	<u>2,333</u>	<u>2,633</u>	<u>3,182</u>
Total telemetry	<u>44,301</u>	<u>64,591</u>	<u>40,097</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ANDERLINE, STATE OF LOUISIANA
BONNE GENERAL HOSPITAL
SCHEDULES OF NET PATIENT SERVICE REVENUE (continued)
PERIODS ENDING JUNE 30, 1987, 1986 AND 1985

	TWELVE MONTHS 1987	TWELVE MONTHS 1986	NINE MONTHS 1985
Central supply			
Inpatient	\$ 192,043	\$ 163,408	\$ 181,381
Outpatient	<u>130,588</u>	<u>108,888</u>	<u>81,278</u>
Total central supply	<u>322,631</u>	<u>272,296</u>	<u>262,659</u>
Intravenous therapy			
Inpatient	173,731	158,144	87,818
Outpatient	<u>58,522</u>	<u>48,124</u>	<u>18,708</u>
Total intravenous therapy	<u>232,253</u>	<u>206,268</u>	<u>106,526</u>
Pharmacy			
Inpatient	740,413	685,820	600,812
Outpatient	<u>385,326</u>	<u>387,388</u>	<u>300,518</u>
Total pharmacy	<u>1,125,739</u>	<u>1,073,208</u>	<u>901,330</u>
Emergency room			
Inpatient	81,805	71,897	28,185
Outpatient	<u>880,863</u>	<u>781,373</u>	<u>527,725</u>
Total emergency room	<u>962,668</u>	<u>853,270</u>	<u>555,910</u>
Emergency room physician			
Inpatient	46,318	80,478	28,520
Outpatient	<u>839,134</u>	<u>785,815</u>	<u>527,787</u>
Total emergency room physician	<u>885,452</u>	<u>866,293</u>	<u>556,307</u>
Observation room			
Inpatient	4,185	18,348	5,310
Outpatient	<u>48,428</u>	<u>22,018</u>	<u>11,382</u>
Total observation room	<u>52,613</u>	<u>40,366</u>	<u>16,692</u>
Dialysis treatment			
Inpatient	3,100	3,135	-0-
Outpatient	<u>-0-</u>	<u>485</u>	<u>-0-</u>
Total dialysis treatment	<u>3,100</u>	<u>3,620</u>	<u>-0-</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF AYOULLER, STATE OF LOUISIANA
MORRIS GENERAL HOSPITAL
SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
PERIODS ENDED JUNE 30, 1997, 1996 AND 1995

	TWELVE MONTHS 1997	TWELVE MONTHS 1996	SIX MONTHS 1995
Non health visits	\$ 1,815,865	\$ 486,860	\$ 880,370
Rural health clinic	413,798	486,863	706,133
Partial day psychiatric services	<u>166,662</u>	<u>35,592</u>	<u>—</u>
Total other professional services	<u>5,156,788</u>	<u>6,475,113</u>	<u>1,586,503</u>
Total patient service revenues	<u>10,437,456</u>	<u>12,487,796</u>	<u>9,433,326</u>
Deductions from revenues:			
Contractual adjustments	(3,451,939)	(2,585,863)	(1,789,584)
Disproportionate share payment - Medicaid	396,587	388,886	1,357,566
Charity care	(321,574)	(380,673)	(288,388)
Discounts	<u>18,381</u>	<u>(18,625)</u>	<u>(1,323)</u>
Total deductions from revenues	<u>(3,368,955)</u>	<u>(2,196,255)</u>	<u>(1,721,729)</u>
Net patient service revenues	<u>\$ 7,068,501</u>	<u>\$ 10,291,541</u>	<u>\$ 7,711,597</u>

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ANDRETTES, STATE OF LOUISIANA
 BUNKIE GENERAL HOSPITAL
 SCHEDULES OF OTHER REVENUE
 PERIODS ENDED JUNE 30, 1991, 1992 AND 1993

	TWELVE MONTHS 1991	TWELVE MONTHS 1992	SIX MONTHS 1993
Maintenance and supplies - psychiatric unit	\$ -0-	\$ 43	\$ 599
Coliform sales	21,210	23,896	13,082
Medical records fees	4,518	6,763	7,684
Yending machines	23,179	15,563	8,881
Filmex Center fees	1,875	4,875	7,813
LMA Trans	12,067	14,118	5,899
Emergency Room Services Grant	25,000	50,714	-0-
Rural Health Transition Grant	17,697	50,000	25,000
Silver Unity fees	6,403	8,088	4,334
Consultations	3,592	1,888	1,300
Gain (loss) on disposal of equipment	-0-	3,918	1,371
Rental income	50,143	27,388	25,253
Miscellaneous revenue	<u>1,822</u>	<u>8,381</u>	<u>6,878</u>
Total other revenue	\$ <u>126,622</u>	\$ <u>238,022</u>	\$ <u>84,879</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF MONROE, STATE OF LOUISIANA
BUNICK FEDERAL HOSPITAL
SCHEDULE OF EXPENSES - SALARIES AND BENEFITS
PERIODS ENDED JUNE 30, 1997, 1998 AND 1999

	TWELVE MONTHS 1997	TWELVE MONTHS 1998	SIX MONTHS 1999
Salaries:			
Administrative and general	\$ 101,743	\$ 97,788	\$ 31,599
Business office	295,582	304,443	141,673
Communications	10,919	11,389	5,112
Books	1,448	39,493	11,488
First operation	81,445	80,177	38,137
Laundry and linen	24,512	25,833	11,131
Housekeeping	50,517	48,579	21,718
History	83,124	95,555	46,052
Nursing administration	79,885	75,878	38,881
Central supply	15,185	17,173	11,187
Medical records	58,642	72,385	35,479
Nursing services	388,881	352,306	281,544
Psychiatric unit	418,425	344,357	-
Operating room	12,471	15,858	8,059
Anesthesia	-	75,362	38,284
Radiology	124,184	129,832	63,126
Laboratory	121,345	126,918	54,954
EMS	1,640	2,244	1,187
Cardiac rehab	4,822	-	-
Residential day psychiatric	42,182	35,883	-
Rural health clinic	264,144	238,587	109,561
Emergency room	329,225	169,144	67,883
Observation room	15,595	1,081	1,540
Home health	325,150	329,881	169,433
Physician's office building	1,597	1,882	877
Fitness center	20,886	12,139	6,311
Total salaries	<u>2,829,855</u>	<u>3,032,657</u>	<u>1,168,598</u>
Payroll taxes	226,496	222,482	84,813
Hospital/accident insurance	113,728	131,920	75,457
Other	28,911	63,186	116,148
Total benefits	<u>369,135</u>	<u>417,388</u>	<u>276,428</u>
Total salaries and benefits	<u>\$ 3,250,766</u>	<u>\$ 3,442,683</u>	<u>\$ 1,445,026</u>

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ORYOLLES, STATE OF LOUISIANA
 BUNKIE GENERAL HOSPITAL
 SCHEDULE OF EXPENSES - MEDICAL SUPPLIES AND EXPENSES
 PERIODS ENDING JUNE 30, 1957, 1956 AND 1955

	TWELVE MONTHS 1957	TWELVE MONTHS 1956	SIX MONTHS 1955
Nursing services	\$ 22,765	\$ 24,412	\$ 14,434
Psychiatric unit	25,899	518,286	885,272
Operating room	4,827	4,368	2,022
Anesthesia	34	2,284	389
Radiology	172,970	138,726	65,981
Laboratory	185,780	163,382	81,572
Blood	1,830	2,820	1,520
X-ray therapy	12,173	62,527	27,429
Respiratory therapy	5,321	8,827	1,675
ICU	2,040	2,888	1,522
Central supply	68,471	92,894	24,644
Pharmacy	218,032	216,044	177,268
Cardiac rehab	2,284	-0-	-0-
Periatal day psychiatric	155,925	21,925	-0-
Rural health clinic	33,071	29,673	56,262
Emergency room	3,287	8,200	7,577
Observation room	173	63	38
Home health	22,682	26,222	25,262
Total medical supplies and expenses	\$ 1,867,224	\$ 1,842,600	\$ 1,578,388

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ABOUILLE, STATE OF LOUISIANA
 BUNKIE GENERAL HOSPITAL
 SCHEDULES OF EXPENSES - MEDICAL PROFESSIONAL FEES
 PERIODS ENDED JUNE 30, 1967, 1966 AND 1965

	TWELVE MONTHS 1967	TWELVE MONTHS 1966	SIX MONTHS 1965
Psychiatric unit	\$ 150,363	\$ 180,489	\$ 70,748
Anesthesia	12,328	4,380	1,108
Laboratory	35,587	35,334	17,917
Respiratory therapy	138,080	138,080	71,008
Physical therapy	16,447	15,282	4,842
EMS	271	-0-	-0-
Cardiac rehab	15,800	-0-	-0-
Partial day psychiatric	56,873	1,319	-0-
Rural health clinic	44,313	58,557	58,418
Emergency room	<u>660,578</u>	<u>626,831</u>	<u>281,913</u>
Total medical professional fees	\$ <u>1,131,329</u>	\$ <u>1,084,806</u>	\$ <u>444,328</u>

HOSPITAL SERVICE DISTRICT NO. 1
OF THE PARISH OF ACACOLEL, STATE OF LOUISIANA
MUNICIPAL GENERAL HOSPITAL
SCHEDULES OF EXPENSES - OTHER EXPENSES
PERIODS ENDED JUNE 30, 1987, 1986 AND 1985

	THIRTEEN MONTHS 1987	THIRTEEN MONTHS 1986	SIX MONTHS 1985
Miscellaneous service fees	\$ 8,129	\$ 8,464	\$ 7,490
Legal and accounting	44,845	45,112	44,821
Non-medical supplies	193,325	202,338	185,814
Dietary - food expenses	76,669	84,991	59,833
Repairs and maintenance	126,346	133,381	81,248
Utilities	169,248	117,815	58,831
Telephone	97,849	64,450	18,762
Rent health mileage	43,818	34,736	16,114
Research	56,758	61,929	17,472
Public relations	32,608	28,892	18,754
Scholarships	2,708	290	1,658
Books and subscriptions	13,138	10,840	8,718
Miscellaneous expenses	<u>18,868</u>	<u>52,302</u>	<u>3,432</u>
Total other expenses	<u>\$ 824,913</u>	<u>\$ 824,118</u>	<u>\$ 622,432</u>

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ACADIE, STATE OF LOUISIANA
 MURKIN GENERAL HOSPITAL
 SCHEDULE OF PATIENT STATISTICS
 PERIODS ENDING JUNE 30, 1991, 1990 AND 1989

	TWELVE MONTHS 1991	TWELVE MONTHS 1990	SIX MONTHS 1989
Number of Beds			
Acute	28	28	28
Psychiatric	20	20	20
Bed Days Available			
Acute	10,228	28,220	5,068
Psychiatric	7,200	7,200	3,600
Patient Days			
Total Acute	3,448	2,360	1,806
Total Seling Bed	743	619	456
Total Psychiatric	3,792	4,949	2,199
Medicare Acute	1,924	1,818	1,353
Medicare Seling Bed	713	609	454
Medicare Psychiatric	-0-	-0-	-0-
Medicaid Acute	410	513	290
Medicaid Seling Bed	-0-	-0-	-0-
Medicaid Psychiatric	1,562	3,438	1,648
Percentage Occupancy			
Acute and Seling Bed	31.22	32.87	46.87
Psychiatric	58.22	62.12	68.76
Discharges			
Total Acute	612	724	448
Total Seling Bed	82	84	55
Total Psychiatric	187	385	132
Emergency Room Visits	7,012	7,324	3,388
Room Service Visits	12,472	20,682	12,081
Clinic Visits	7,424	4,919	5,612
Number of Surgeries	84	126	63

HOSPITAL SERVICE DISTRICT NO. 1
OF THE CITIES OF AUSTIN, ST. LOUIS,
MEMPHIS, CHICAGO, HOSPITAL
SCHEDULE OF INSURANCE
- YEAR 19, 1981 -

POLICY NUMBER	INSURER	TYPE	AMOUNT	DATE	COVERAGE	TERMS/CONDITIONS
05-00000	St. Hospital Association from Road Service (Auto) Insurance Co. Inc.	LIABILITY	\$1,000,000	05/01/79	Business/Personal Liability Comprehensive General Liability	\$25,000 per claimant per auto \$1,000,000 per occurrence \$5,000,000 annual aggregate \$1,000,000 per claim
05-00001	Business Insurance Company	LIABILITY	\$1,000,000	05/01/79	Business's Compensation	\$1,000,000 each accident \$5,000,000
05-00002	General General Insurance	LIABILITY	\$1,000,000	05/01/79	Medical Malpractice - Medical Staff	\$1,000,000 \$5,000,000
05-00003	The Insurance Agency	LIABILITY	\$1,000,000	05/01/79	Executives and Board Directors Insurance (Medical Malpractice Insurance) Administrative Injury	\$1,000,000 - 1981 \$1,000,000 annual each year \$1,000,000 per claim
05-00004	General General Insurance	LIABILITY	\$1,000,000	05/01/79	Fire and Structural Coverage in Building and Personal Property	\$5,000,000 - combined limit and personal property, fire, automobile auto included at constructed property limit subject to separate per accident
05-00005	General General Insurance	LIABILITY	\$1,000,000	05/01/79	Property Insurance Builder and Machinery	\$1,000,000 direct damage - personal limit of insurance \$1,000,000 aggregate expense \$1,000,000 maximum volume \$1,000,000 maximum construction \$1,000,000 other damage
05-00006	General General Insurance	LIABILITY	\$1,000,000	05/01/79	Liability in Business Auto	\$1,000,000 - minimum liability \$1,000,000 - liability comprehensive and collision \$1,000,000 per person
05-00007	General	LIABILITY	\$1,000,000	05/01/79	St. Louis Comprehensive Auto/General Liability	\$1,000,000 per claim \$500,000 per occurrence

HOSPITAL SERVICE DISTRICT NO. 1
 OF THE PARISH OF ANDREWS, STATE OF LOUISIANA
 HUNTER GENERAL HOSPITAL
 SCHEDULE OF FEE DUES AND
 OTHER CONTRIBUTIONS PAID TO BOARD MEMBERS
 PERIODS ENDING JUNE 30, 1987, 1988 AND 1989

	TWOYRE MONTHS 1987	TWOYRE MONTHS 1988	ONE MONTHS 1989
Board Members:			
Dr. Carl F. Jory	\$ -0-	\$ -0-	\$ -0-
Mr. James Hixon	-0-	-0-	-0-
Ms. Nancy Garrath	-0-	480	80
Mr. Don F. Deacon	-0-	440	80
Mr. Albert Zacharia	878	380	-0-
Mr. David Smith	148	480	60
Mr. Jeff Keys	408	480	60
Ms. Barbara Jones	208	878	878
Mr. Harry Bernard	248	878	878

Marvin H. Kasher, CPA
Robby G. Loney, CPA
John S. Wells, CPA
Robert E. Miller, CPA

Linda L. Wrayle, CPA
Paul A. Delinger, CPA
William L. Henry, CPA

EASLEY, LESTER AND WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
500 BAYOU RAPIDS BLVD.
MONROE, LOUISIANA 70002

Telephone (504) 837-1420
Telex (510) 465-1384

Members
American Institute of CPAs
AICPA Division for CPAs - Parish
Private Companies Practice Section
Society of Louisiana CPAs

Mailing Address
P.O. Box #1124
Monroe, LA 70002-0124

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Hospital Service District No. 1
Parish of Acadiane, State of Louisiana
Bunkie, Louisiana

We have audited the financial statements of the Acadiane Parish Hospital Service District No. 1 (the "District") for the years ended June 30, 1997, 1996 and the six months ended June 30, 1995, and have issued our report thereon dated October 10, 1997.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the District for the years ended June 30, 1997, 1996 and the six months ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Board of Commissioners
Hospital Service District No. 1
Parish of Assumption, State of Louisiana
Page Two

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The schedule that accompanied this letter summarizes our comments and suggestions regarding these matters.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described on the accompanying schedule is a material weakness.

This report is intended for the information of the Board of Commissioners, management and the office of the legislative auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Earley, Lester & Wells
Certified Public Accountants

October 10, 1997

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS FIRST CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Auditor's Comments and Recommendations

General Comment:

Condition: Material adjustments were necessary to correctly state estimated allowances for contractual adjustments and the related reduction of reserve amount, as well as the estimated allowance for uncollectible accounts and the related bad debt expense. The method of calculating third party reimbursement has produced reasonable results in the past, but has not been changed to reflect the current complexities in reimbursement for different Medicare, Medicaid, and third party insurance services, or issues associated with some Medicare and Medicaid programs. Estimates of uncollectible allowances and bad debt expense have not been based upon historical trends and current circumstances.

Comment: We suggest the template used to estimate third party contractual allowances be updated to reflect more of the complexities of third party payer systems. Year to date amounts should be used to make estimates based upon the best available data. When estimating uncollectible allowances and bad debt expense, we suggest using data from the last twelve months adjusted for changes in operations. These collection percentages should be applied to current, year to date accounts receivable ages and charges by payer to better estimate amounts management believes will not be collected. Such method may need additional adjustments for changes in operations such as charge increases, changes in the local economy, or changes in third party payment methods.

Management's Response: Templates used to estimate third party allowances and uncollectible accounts will be revised to reflect more complex reimbursements by major payers and collectibility of accounts based upon historical amounts. Methods will be review quarterly, or more frequently when necessary, to adjust for changes in relevant factors.

Board of Commissioners
Hospital Service District No. 1
Parish of Assumption, State of Louisiana
Page Two

This report is intended for the information of the Board of Commissioners, management and the office of the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Lesley, Austin & Wells

Certified Public Accountants

October 10, 1997